



MARKEL GENERAL MANUAL

MARKEL® MARINE



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This manual is intended to provide general information. For product specific information, always refer to the respective manual. This manual is protected by legal privilege and should not be shared with anyone unauthorized.

Authority

MARKEL CONTRACTED AGENT AUTHORITY

As a contracted agent, the terms and conditions of your agency agreement must be followed. If you provide the MAGIC system to a sub-producer, they are acting as the agent of the applicant or policyholder. The system is intended to be a conduit to our contracted agent in order to provide indication quotes, request service and answer general questions for the client. No authority is expressed or implied.

A sub-producer logging onto the system must attest to the following:

"I recognize that I am acting on behalf of the applicant or policyholder as their broker and that I am not acting as the agent or broker for Markel American Insurance Company (Markel). Moreover, I have specifically explained to the applicant or policyholder that I am acting on their behalf as their broker and that I am not the broker or agent for Markel. I recognize and agree that no implied or expressed authority has been granted to me by Markel or any of their representatives or employees. I recognize that this system is only a means to transfer information and any change or request that I make on this system is not to be construed as an acceptance by Markel of the change or request and that only Markel can make that decision and that it must be made expressly by Markel, in writing, in order for the change or request to be legally binding."

Sub-producers do have the ability to quote boats <26'. However, for all boats >26', the quote must be processed by an MAIC Contracted Agent. If the user does not have authority to issue the risk, the quote must be referred for approval. An indication only quote can be released with disclosure that the quote is subject to company review and that the terms, conditions or the rate may change. If a submission is made and approved and the risk materially changes, the risk must be resubmitted outlining what has changed.

All documents pertinent to the underwriting and acceptability of a given risk should be retained in the legal file and/or attached to the policy file in MAGIC. All documentation is subject to audit review.

Licensing & Appointments

AGENT/COMPANY APPOINTMENT TERMS

The MAGIC system will not allow business to be written in a state unless authority is provided and the appropriate licensing is in place.

A. LICENSING

1. Each contracted agent must hold the appropriate license for their authorized state (s). A copy of each license must be provided to the Licensing Department before producing business.
2. Each contracted agent is responsible for ensuring that sub-producers hold the necessary licenses in compliance with state regulations.
3. If a contracted agent is producing business in AZ, FL, MS or OK we will require an authorized signature due to countersignatory requirements, which will be scanned and printed on the Declarations Page. In Nevada, all output will be mailed to the producer for signature and disbursement.
4. As your licenses renew on either an annual or biannual basis, it is your responsibility to forward a copy to our Licensing Department.

B. APPOINTMENTS

1. All contracted agents and any necessary countersignatories will be appointed by us for each contracted state. MAIC will be responsible for all fees.
2. Sub-producer Appointments for Direct Billed Business:

a. **Remote GA's** - It is your responsibility to abide by the insurance laws in your state(s) and appoint any sub-producers as necessary. The GA will initiate the paperwork with the sub-producer using the correct appointment forms. The completed paperwork should then be forwarded to MAIC's Licensing department for processing.

MAIC will notify you when the appointment has been validated by the state. Any sub-producer appointment fees are the responsibility of the General Agent.

b. **Markel Marine Service Center GA's** - It is the position of Markel American Insurance Company to appoint any sub-producer who has direct access to our office. Markel American Insurance Company will be responsible for all fees, as noted in Section C below.

c. Whether your agency falls under category a. or b. above, MAIC will only appoint one agent, (along with the agency if legally necessary) from each sub-producing agency. The appointed agent must be the agent signing and submitting to the Company. If the sub-producing agency wants to appoint everyone in their office so they do not have to monitor agent submissions to the Company, the extra appointment fees will be the responsibility of the sub-producing agency or the General Agent.

Agent of Record

These procedures are designed to assure that correct, timely and approved transfer of accounts can be done. Please remember the AOR is an insured initiated request and must meet these procedural requirements. Markel American Insurance Company retains the right of refusal of any request.

- Ø Agent of Record Letters will only be honored and producers changed concurrent with the next renewal date of the policy. No mid-term changes will be made.
- Ø No newly contracted agents will be allowed to take over a piece of Markel business for the first year.
- Ø All requests must be sent to the Marine Department for review and approval. This requirement extends to all general agents and producers using any of Markel's distribution methods.
- Ø All requests for a change of the Agent of Record must be submitted to the Marine Department **7 days** prior to a renewal offer (Commercial) or renewal (MAGIC) being processed. Late submissions will be honored at the next policy renewal.
- Ø Approved Agent of Record changes will be processed when cleared by underwriting.
- Ø All agencies involved in an Agent of Record transfer must be properly licensed and able to meet all Markel American Insurance Company contractual requirements.
- Ø If a quote is reserved, an Agent of Record is required to open the risk to be quoted. We will either provide verbal or written notice to the parties involved.

A properly submitted request for an Agent of Record change must include the following – Name and Address of the Insured; Insurance Company and Policy Number; New Agent's Name and Agency Name / Address, with Markel American Agency number; Date and Signature of both the Insured and New Agent. In the case of a commercial account or a personal lines account with a business/organization as the Named Insured the request must be on the Insured's letterhead.

- Ø Markel will provide a courtesy notification to the incumbent General Agent or Producer providing **5 days** to receive a countermanding letter.
- Ø In situations of 'block rollovers' of existing Markel business each of these will be evaluated on an individual basis and appropriate procedures developed.
- Ø Markel will recognize a new Agent on new business without an Agent of Record Letter if the policy has expired or an LPR requesting cancellation has been processed. The new business account must meet all Markel Underwriting, Procedural and Agency Authority requirements.

Please note that it is the new agent's responsibility to ensure that the existing legal file is received and all documentation is appropriate. Please refer any questions on these guidelines to the MAIC Marine Department.

Quote Clearance System

A quote clearance system has been integrated into MAGIC for use on Markel High Performance and Markel Helmsman Yacht quotes. The goal of the clearance system is to provide all agents the fairest opportunity to provide quotes and avoid users from blocking risks that they are not in a position to quote.

The clearance process is started on the New Quote page, upon entry of the ownership type, insured name, date of birth and year of the boat. If a match to the information entered is not found, the risk may be quoted. If a match to the entered information is found, this means the risk has already been reserved by another agent, or a policy is in force. A message will be delivered advising the user that the risk is not available for quoting. If the boat owner advises that they do not have a policy nor received a quote, please contact us to investigate. If the risk is reserved by another agent, however the boat owner wishes to change, see the Agent of Record section.

It should be noted that the quote is not officially reserved until a rate is delivered on the Coverage Page.

Insurance Scoring

An adverse action disclosure will be generated for applicants that do not receive the best rate due to the insurance score. The disclosure will be generated for the producer to send with a written quote, and for the company to send with the policy, renewal, and a rewritten policy. If required, additional information may be provided, including an explanation on which attributes affected the score and what the consumer can do to improve the score.

Should a potential client have questions regarding their insurance score, they may visit www.consumerdisclosure.com. If a consumer successfully disputes the credit reporting agency's information, then within 30 days of receiving notice of the determination we will request the revised score from ChoicePoint, re-rate and refund any overpayment.

Please refer to specific Program Guidelines as to when an insurance score is or is not pulled.

Payments & Commission

APPLYING A PAYMENT

Markel in partnership with Bill Matrix provides policyholders and our agency partners a simple interface and flexibility including establishing recurring payments, which should lead to increased retention.

How it works:

Bill Matrix features are available for all marine products on MAGIC.

Customer or Producer can go to the Markel supported website at www.markelamerican.com/pay and follow the link to make payment via Electronic Check, Credit Card, Debit/ATM card; or
A MAGIC Marine customer can visit the site above and establish recurring payments; or
A Customer or Producer can call us toll free number to make payment via Interactive Voice Response (IVR) at 800.236.2637.

If you have a check in your agency for new business, you will issue the policy using the invoice option (without payment), then proceed to follow the Bill Matrix link from our website and process the E-Check payment. For installment or renewal payments you will simply follow the link and make the e-check payment on-line. Once completed, shred or properly

dispose of the check. Do not mail the check here once you have processed. Doing so may result in a double payment situation.

If you have a Cashier's Check and Money Order mail it to us at the address below. **Do not** process either of these payment types through Billmatrix as they are considered to be cash by all banking institutions. Online payment providers do not recognize the payee account on these instruments. If you feel that the policy needs special attention because of the mail delay, please call our A/R department.

If the customer would like to establish recurring payment, direct them to the website. You will not be able to do this for them as each customer will need to establish his own Private Identification Number (PIN).

PLEASE NOTE:

The policy must be available or in-force to make a payment on line.

Invoices have been updated to include information to encourage customers to make payment on line.

The system will advise the user of the amount due.

If a customer defaults on a recurring payment, the recurring feature is terminated. If this occurs the policyholder must make alternative payment accommodations or reestablish recurring.

Help screens are available throughout the process.

Customers may still make payment via conventional methods (mailing check).

To make a payment on line, you will need the following information:

- Policy Number
- Mailing Zip – (the zip code that policies are mailed – as reflected on the Owner Page)

800-236-2862

A/R mailing address:

PO Box 906

Pewaukee, WI 53072

COMMISSION

Commissions will be paid on the written premium when the first payment is received.

Processing

This section will provide guidelines or information relative to processing transactions. Many of these transactions are authority based. If you are unable to complete the transaction, make the necessary notes and/or attachment within MAGIC and forward a task for MAIC to complete. Details on how to effect the change is in the MAGIC system manual.

RENEWALS

Renewals are direct bill and automatically generated. Please see the user manual for handling and how to mark the file for renewal review.

The following criteria will trigger policies to be flagged for review before renewal:

For All:

- Claim within the last 365 days >\$7,500 total incurred
- 2 or more claims in the last 3 terms, regardless of loss incurred
- Any policy flagged manually for review

For Markel High Performance & Markel Helmsman Yacht:

- If Agreed Value Hull or Watercraft & Equipment is purchased & boat age < 4 years of age in first term
- If Survey Requirements are due (see Survey Requirements by product)
- Any risk with a Trip

If any of the criteria above are identified by the system, the policies will be flagged for review and will appear on the Review before Renewal List. In addition, all Yacht policies will show up on the renewal list as well.

For Markel Helmsman Yacht you must manually submit any policy with combined Hull and P&I limits that are =>5M.

If the file is not reviewed, the policy will be renewed. However, we will review underwriting action taken as part of audit. Document your thoughts and actions in the Diary section of MAGIC. Review should be completed no later than 45 days before the renewal date. Should there be any question as to the necessary action that should be taken on a given account, please contact an Underwriter in the Marine Department for assistance. Please make notes reflecting the decision and change made.

NON-RENEWALS

Always make notes in the MAGIC system outlining the specific reasons the action was warranted. Non-renewals will be processed and mailed out in accordance with all state requirements. Please see the user manual for handling and instructions on how to process a non-renewal.

CANCELLATIONS

Please refer to the language specific for the type of policy being canceled. Be sure that a Lost Policy Release (LPR) is contained within the legal file or is saved as an attachment in MAGIC. Cancellations requested that are greater than 30 days from the current date, must be submitted.

Standardized reasons and cancellation methods should be used.

On total losses, MAIC will issue notice of cancellation. Premiums are fully earned on total losses except where prohibited. [IL, WI and in LA, boats <26']

If flat cancellation is required, please submit a request to have the cancellation processed by the MAIC.

REWRITES

All policies that undergo a state to state change require that the policy be rewritten to the new state.

All other rewrites may be processed as per established user authority.

REINSTATES

Any policy that has been uninsured longer than 30 days will require that a No Known Loss letter be secured and kept in MAGIC or the legal file.

DIARY/ ATTACHMENTS/ NOTES

The MAGIC system may be used as a repository for all policy documentation. Documents like applications, endorsement or cancellation requests, etc. may be attached to a given policy.

Prior to initiating rewrites, reinstates, non-renewals or other policy actions, please check the policy notes as well as document your actions.

Comments should always be professional while supporting your actions and decisions.

MESSAGING

The messaging functionality in MAGIC is twofold—a means by which to forward a request for approval or to perform service work that is not within user authority. Additionally it will serve to provide bulletins or notices.

For more information regarding the processing of any of the items mentioned above, please refer to the MAGIC User Manual or contact a Marine Team Representative.

Output

We will mail the Declarations Page and policy documents directly to the insured and the lienholder. All contracted agents and any sub-producer with MAGIC access may retrieve a copy from the system. If the sub-producer does not have MAGIC, a copy will be mailed to the sub-producer. If the risk state is Nevada, as noted under counter signatory requirements, all output will be mailed to the producer for signature.

Claims

Once you have been made aware of a potential claim, immediately notify the Markel Claim Department by fax or e-mail at maicclaims@markelcorp.com or fill out the loss notice under the agent only section of the markelmarine.com website. If you prefer, the fax number is (262) 548-6110. Please **do not** use the fax number to the Marine Department.

When forwarding claim information, it is helpful for us to receive as much information as possible. If available, please provide:

- Location of the boat
- Unit involved in loss if a multiple unit policy
- Repair vendor information
- A detailed description of how the occurrence happened
- Scope of the damage or injuries which resulted
- Correct contact information for our insured or their representative
- Any other information, which may be helpful

Our toll free claim line is (800) 236-3113. Our core business hours are 7:30 am to 8:00 pm to report an accident or loss. If an after hours emergency occurs which requires immediate attention, by calling the above-mentioned claim line, you will be prompted on how to page an Examiner.

Upon receipt of a claim, the file will be given a claim number and assigned to a specific Examiner. The assigned Examiner will make contact and interview the insured and or other parties to confirm the facts and circumstances which led to damage.

Please keep in mind:

- The insured must allow us to inspect all damages before repairs are made.
- If the damages require recovery or loss mitigation, by policy language the insured must protect the property from further damage.
- We do not waive any of our rights under the policy.

Based on the information received the insured may be requested to provide documentation. If the cause of loss or scope of damage necessitates, an outside marine adjuster or surveyor will be called upon to render assistance. An acknowledgement will be sent back to the agent advising which Examiner was assigned, the claim number and what has been requested from the insured. We will also send an acknowledgement to the insured.

You may access general claim information in the MAGIC system.

Producer Set Up & Maintenance

Contracted Agents – If changes (deletion or addition) in staffing occur, we must be notified in writing by the agency Principal or other person designated by the Principal to effect user changes. A user request document shall be sent via e-mail to Technical Services at PTS@markelcorp.com. Once they have completed the setup, they will confirm that the user has either been disabled, or if a new user, they will provide their new password.

Subproducers – To setup a subproducer in the system, a written request must be provided by the contracted agent. If you intend to provide the MAGIC system to your subproducer some additional information will be required. The form will be sent to [Nadine Jaeger](mailto:Nadine.Jaeger@markelcorp.com) at [njaeger@markelcorp.com](mailto:Nadine.Jaeger@markelcorp.com). The information necessary to setup the subproducer will be provided to the contracted General Agent to deliver to the subproducer.

Once the subproducer has been established, should users change, they may be handled using the user change form completed by the contracted General Agent and sent to PTS@markelcorp.com.

Both forms have been attached to this manual and will also be located on the website at markelmarine.com. User security is taken very seriously. We will audit users twice annually, therefore, please do not forget to notify us when a user ID is to be disabled, it will make us more secure, and make the review process much more efficient.

Hurricane and Storm Binding Restrictions

All users will be notified of binding restrictions via the MAGIC system. During a binding moratorium physical damage coverage may only be written excluding wind.. For existing policies, no policy change shall be made which enhances coverage or increases limits of liability on the hull (Watercraft and Equipment) or on personal effects coverage. The following requirements must be met.

During periods Tropical Depressions, Tropical Storms or Hurricane activity, the following restrictions apply:

No policy or coverage enhancement may be written on new business when a storm is within the area of 65 degrees West and 100 degrees West Meridians and 15 degrees North and 45 degrees North Parallels; or

No policy or coverage enhancement may be written on new business when a storm is within the area of 75 degrees West and 100 degrees West Meridians and 20 degrees North and 37 degrees North Parallels; or

During any storm track for an impending Nor'Easter.

Contact Information

Customer Service & Billing – 800-236-2637

Marine Underwriting - 800-236-2637
maicunderwriting@markelcorp.com

Claim Department – 800-236-3113
maicclaims@markelcorp.com

Supplies - 800-236-2862 ext 3307

Technical Services - 800-236-2862 ext 3334
pts@markelcorp.com

Marketing – 800-236-2862 ext 3386
maicmarketing@markelcorp.com

